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UNITED NATIONS DEVELOPMENT PROGRAMME

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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
INDONESIA

IPF:(1987-91) $62 659 700

(INS/90/035) - Sectoral Employment Policy and Planning

Date of approval by the AC:[1/]	17 April 1991
Expected duration:	Two years
Proposed executing agency:	ILO
Government implementing agency:	National Development Planning Board (BAPPENAS) and Six Line Departments i.e. Agriculture, Industry, Public Works, Trade, Communications, Tourism, Post & Telecommunication
Proposed UNDP contribution:	$1 494 000 Source of funds: IPF
Total UNDP budget:	$1 494 000

Project background

Prior to Repelita V Five-Year Development Plan (1989-93), employment creation had only been incorporated into the five-year development plans at a macro level, and more in the nature of a forecast rather than in terms of targets or strategies for employment creation. BAPPENAS as co-ordinating planning agency of the Government, realized that such considerations should be defined on a sectoral basis to have any real impact; and thus assigned employment targets for each economic sector within Repelita V. However, Repelita V still contained no policy guidance at the sectoral level for attaining these targets, or concrete measures to promote a macroeconomic environment conducive to the growth of labour-intensive enterprises.

BAPPENAS recognizes that economic policy formulation affects employment creation and that policies on the exchange rate, interest rates, deregulation of international and domestic trade, technology and allocation of investment can have a greater impact on employment than specific "employment creation" projects in isolation. Such concerns have yet to be translated into effective planning at the sectoral level. The six sectoral Departments with large public expenditure programmes (Agriculture, industry, Public Works, Trade, Communications and Tourism, Post & Telecommunications) presently do not make any systematic effort to encourage labour-intensive methods of production, construction and maintenance and have no mechanism for monitoring Government-owned enterprises which sub-contract small and medium-scale enterprises. Nor do they have a regular programme for producing manpower development plans to ensure sufficiently trained people in occupations

[1/] This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

where demand for labour is increasing, either in the public or private sector. To address this issue, the Government requested UNDP assistance under the present approval.

Description of project

The development objective of the project is to conduct policy analysis, intensive employment-oriented research, and the dissemination of this information to senior managers and policy makers in the Government. Specifically, it will be geared to the planning time frame of Repelita VI, and the need to generate implementable policies and strategies that will directly affect employment in both the immediate and longer terms.

The immediate objectives of the project are to: (i) assess and identify macroeconomic and sectoral policies and programmes contributing to expand productive employment; (ii) develop a system for monitoring the employment situation and policies in the six sectors of agriculture, industry, public works, communication, trade, and tourism, post and telecommunications; and (iii) assist BAPPENAS and six line Departments in formulating employment strategies, and integrate employment and manpower planning into sectoral planning as inputs for Repelita VI.

The Bureau of Manpower, BAPPENAS will co-ordinate project implementation and the Bureaux of Planning (BOP) of the six line Departments will implement its components. Prior to the start of the project, an Employment Policy Consultative Group and an Employment Planning Task Force will be set up in each Department. The Consultative Group will comprise senior officials of the Department to act as a participatory and co-ordinating forum for the project in that Department, thus ensuring that all relevant policy decision makers are involved in the design and approval of the employment-related policies. The Task Force will be the technical implementing arm of the project in each Department. It will be managed by the Head, BOP and consist of staff from the BOP and the Directorates General; and will be expected to play an active role in the formulation of sectoral employment plans in the Department.

A Technical Committee to co-ordinate the overall project will be set up and consist of BAPPENAS, line Departments and the Department of Manpower. It will promote inter-departmental consultation and exchange of views through regular meetings, and will operate under a Project Steering Committee, consisting of members of the Steering Committee of (INS/90/001) Information System for Employment Development and Manpower Planning (i.e. BAPPENAS, Ministries of Manpower and Education and Central Bureau of Statistics) and the Director Generals of the Six line Departments. The former will meet quarterly and the latter on a six-monthly basis. In order for the project to maintain close collaboration with INS/90/001, the two projects will therefore be managed by a Joint Steering Committee.

Inputs

UNDP will provide a senior employment adviser and national project co-ordinator each for 24 man-months, short-term international consultants (54 man-months), national consultants (21 man-months), sub-contracts for surveys and studies; overseas and in-country training; equipment; and miscellaneous costs.

Financial data

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Personnel	1 077 000
Subcontract	225 000
Training	146 000
Equipment	20 000
Miscellaneous	26 000
Total	1 494 000

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